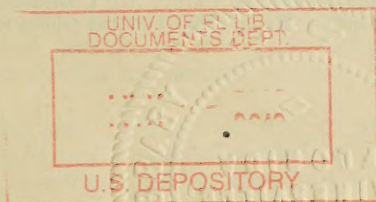


NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION
FOR THE
COTTON TEXTILE INDUSTRY

AS APPROVED ON DECEMBER 29, 1933



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1934

This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C., and by district offices of the Bureau of Foreign and Domestic Commerce.

DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE

Atlanta, Ga.: 504 Post Office Building.
Birmingham, Ala.: 257 Federal Building.
Boston, Mass.: 1801 Customhouse.
Buffalo, N.Y.: Chamber of Commerce Building.
Charleston, S.C.: Chamber of Commerce Building.
Chicago, Ill.: Suite 1706, 201 North Wells Street.
Cleveland, Ohio: Chamber of Commerce.
Dallas, Tex.: Chamber of Commerce Building.
Detroit, Mich.: 801 First National Bank Building.
Houston, Tex.: Chamber of Commerce Building.
Indianapolis, Ind.: Chamber of Commerce Building.
Jacksonville, Fla.: Chamber of Commerce Building.
Kansas City, Mo.: 1028 Baltimore Avenue.
Los Angeles, Calif.: 1163 South Broadway.
Louisville, Ky.: 408 Federal Building.
Memphis, Tenn.: 229 Federal Building.
Minneapolis, Minn.: 213 Federal Building.
New Orleans, La.: Room 225-A, Customhouse.
New York, N.Y.: 734 Customhouse.
Norfolk, Va.: 406 East Plume Street.
Philadelphia, Pa.: 422 Commercial Trust Building.
Pittsburgh, Pa.: Chamber of Commerce Building.
Portland, Oreg.: 215 New Post Office Building.
St. Louis, Mo.: 506 Olive Street.
San Francisco, Calif.: 310 Customhouse.
Seattle, Wash.: 809 Federal Office Building.



AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

COTTON TEXTILE INDUSTRY

As Approved on December 29, 1933

TRADE PRACTICES GOVERNING THE MERCHANDISING
OF CARDED COTTON YARN

The Cotton Textile Industry Committee, in accordance with Section VI of the Code of Fair Competition for the Cotton Textile Industry, has submitted for my approval the following recommendations as to trade practices governing the merchandising of carded cotton yarn:

“TRADE PRACTICES GOVERNING THE MERCHANDISING OF CARDED COTTON
YARN

“1. *Definitions.*

“(a) ‘Spinning mill’ is any manufacturer spinning carded cotton yarn to be sold as such, whether selling with or without the employment of a selling agent.

“(b) ‘Selling agent’ is any person, whether known as a commission house, yarn merchant or otherwise, who sells carded cotton yarn in the relation of an agent for a spinning mill, who receives a commission for his services, assumes the obligation of effecting sales in the interest of the spinning mill and guarantees the account of the purchaser, the mill being the principal in all transactions and being furnished with the names of all prospective purchasers when sales negotiations are opened, the guarantee of performance of the contract being a matter for special agreement between the spinning mill and the selling agent.

“(c) ‘Commission’ is the sum paid or allowed to an agent for his services to a spinning mill in the sale of carded cotton yarn.

“(d) ‘Broker’ is one who brings together spinning mills and purchasers and receives, on each transaction which the mill completes by delivery, a brokerage fee on the price of the order, but does not guarantee the account.

“(e) ‘Purchaser’ is anyone who buys carded cotton yarn for his own account or for that of an affiliate or subsidiary or parent organization.

“2. Spinning mills shall furnish duly certified reports each week to the Statistical Bureau of The Cotton-Textile Institute, Inc., 320

Broadway, New York City, of all sales of carded cotton yarn during the week immediately prior (except sales made through selling agents), stating same by date of order, quantity and description of yarn, delivery specifications, price to be paid, and terms of sale. Selling agents shall file similar reports as to all sales made on behalf of spinning mills. Statistical reports shall be issued weekly by the Institute to all spinners and selling agents summarizing such statistical information received.

"3. No spinning mill, selling directly, shall make any price to a purchaser or any allowance to a purchaser in the guise of commission, brokerage, dealer's discount or fee, either directly or indirectly, or by any secret rebate, advantage, inducement, compensation, gift or otherwise, by which any purchaser shall, in effect, pay a less price than the price which such spinning mill would quote if dealing through selling agents. Commission shall be paid only to bona fide selling agents registered as such with The Cotton-Textile Institute, Inc.

"4. No selling agent shall, directly or indirectly, by way of commission, discount, fee, secret rebate, advantage, inducement, compensation, gift or otherwise, split or divide with or pass on to the purchaser the commission or any part thereof which he receives from the spinning mill.

"5. Selling agents shall not, directly or indirectly, whether through a subsidiary or an affiliate or otherwise, buy stocks of carded yarn for their own account or for that of a subsidiary or affiliate or parent organization, engage in short selling or guaranteeing prices against decline; but a selling agent may sell for his own account any yarn which he may be required to take over by reason of his guarantee of a purchaser's account or contract.

"6. No spinning mill shall, either directly or through a selling agent, guarantee prices against decline, or directly or indirectly abate prices on unfinished contracts, except to the extent that costs are affected by subsequent Governmental action.

"7. No spinning mill shall, either directly or through a selling agent, grant to any purchaser on any sale of any type of carded yarn sold as such more favorable terms of cash discount than 2% discount for payment within 30 days or 2% discount up to the 10th proximo, as may be elected by the purchaser. All yarn, other than as herein-after mentioned, shall be sold net weight. Not more than five days' grace shall be allowed in any discount period. All sales providing for settlement either in any medium other than cash or for longer periods of time than those above specified shall be absolutely net. On sales of ball warps, chain warps, warps on beams and similar put-ups such yarn shall be sold on the basis of calculated weight with 2% tolerance. The foregoing stipulations in this clause apply only to domestic sales.

"8. In all sales effected by spinning mills, whether directly or through a selling agent, there shall be used a 'uniform form of contract', after such form shall have been submitted to the Administrator by the Code Authority and received his approval.

"9. No provision herein shall apply in respect to orders placed before the effective date of these provisions which remain uncompleted on that date.

"10. Administration of these provisions 'Governing the Merchandising of Carded Cotton Yarn' is entrusted to the 'Carded Yarn Sub-Committee,' constituted by the Cotton Textile Industry Committee, subject to the authority and jurisdiction of the latter committee, i. e., the Code Authority for the Cotton Textile Industry."

Pursuant to the authority vested in me by said Section VI of the Code, I hereby approve said recommendations and order that beginning January 1, 1934, they become effective as part of the Code.

HUGH S. JOHNSON,

Administrator for Industrial Recovery.

Approval recommended:

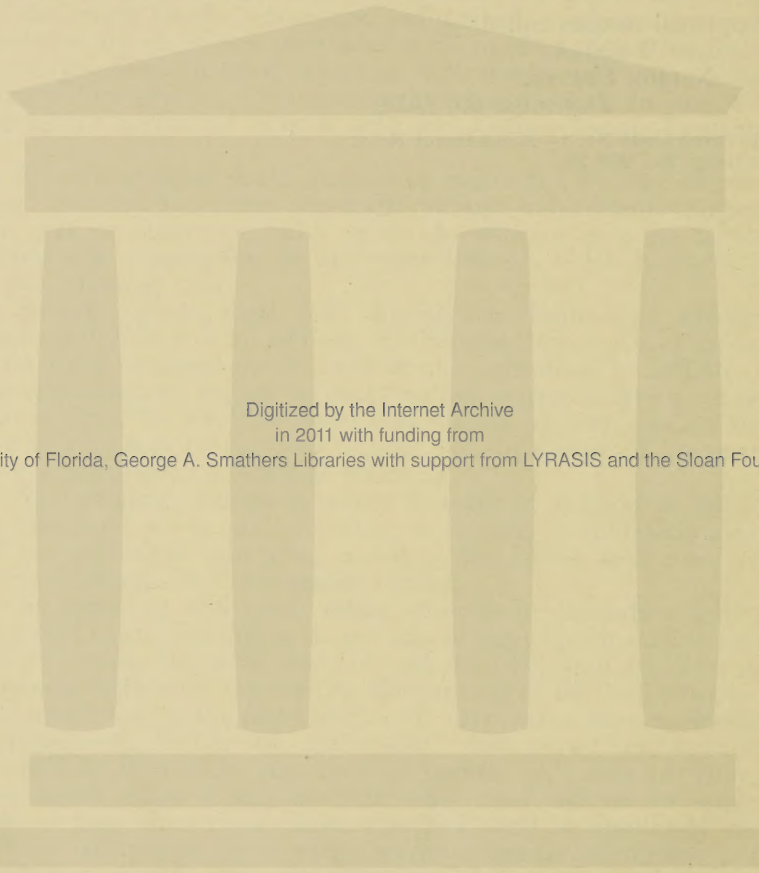
LEO WOLMAN,

NELSON SLATER,

December 29, 1933.

Approved Code No. 1—Amendment No. 3.
Registry No. 299-25.

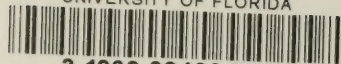




Digitized by the Internet Archive
in 2011 with funding from

University of Florida, George A. Smathers Libraries with support from LYRASIS and the Sloan Foundation

UNIVERSITY OF FLORIDA



3 1262 08482 7327